

Comments, Questions, and Responses
DRFP NNA08220778R-AMA

No.	RFP Section/Page	Questions/Comments	Government Response
1	J.1(a)(12)	The proposed Surveillance and Incentive Fee Plan contains evaluation criteria for Customer Satisfaction, Safety and Environment, Facility Utilization, and Contract Administration along with a placeholder for special emphasis areas as required. These elements emphasize the important areas that drive performance on a facility Operations and Maintenance contract. The weighting of the plan elements also appropriately highlight the importance of Customer Satisfaction, Safety, and Facility Reliability, over contract administrative tasks. We believe the Surveillance and Incentive Fee Plan as proposed will drive positive performance behaviors without being overly cumbersome to administer.	Thank you for your comment.
2	Pre-Solicitation Conference Slides; Section B.1, p. B-1	<p>The slides from the Pre-Solicitation Conference specify that Other Direct Costs (ODCs) are to be proposed on a “cost-only (no fee) basis.” The ODCs for ATOM could represent half of the total contract cost, as indicated by your \$15M plug number. ODCs are fee-bearing on the current contract, and this exclusion significantly affects offerors’ business case. In fact, assuming even an elevated but still rational level of fee on the labor components of the new contract, the draft fee structure would result in a contractor return (i.e., profit) on revenue significantly below that typically realized on Government contracts of similar scope and complexity. This has two potential negative implications for the Government: (1) a substandard return of revenue can significantly limit competition, and (2) risk/reward should be properly balanced for both the winning contractor and the Government.</p> <p>To ensure mission success, it is essential to provide the contractor the ability to earn a level of profit that is sufficient to motivate high levels of performance. Making ODCs non-fee bearing on a contract of ATOM’s size will not allow the contractor to generate the returns its investors expect and will thus provide no motivation to perform. Offerors can address this only in part through inflation of fees and, depending on the approach taken, they run the risk of being non-competitive or having their costs evaluated as unreasonable.</p> <p>We strongly request that NASA consider allowing fee on all, or at least portions, of the ODCs to be expended on the new contract. The ODCs for ATOM are in four general categories: subcontracts, materials and supplies, training, and travel. The subcontract category includes primarily services contracts for high-risk work. By not permitting fee on this high-risk work, the contractor’s performance risk is significantly increased without a corresponding increase in reward. The other categories of ODCs, while not as high-risk, all require management attention, and optimized contract performance is dependent upon effective procurement of these materials/services.</p>	<p>Clarification for Item 03 which will be included in the final RFP is as follows:</p> <p>“Other Direct Costs for CLIN 03 consist of all Materials/Supplies, Travel, and Training, but do not include major subcontracts or service contracts for high-risk work (high-risk services will be determined on a case-by-case basis).”</p>
3	Section L.8(c); p. L-8	Given the emphasis the RFP places on access to offerors’ corporate resources (see Section L.9(a)B.1), would NASA consider allowing one of the five presenters for the Oral Presentation to be an officer of the company who can commit corporate resources? We believe this would enhance NASA’s evaluation of the offerors’ corporate commitment and flexibility to provide corporate resources, including technical and business assistance in the areas identified in Section M.2(c)B.1.	If the Offeror plans to commit corporate resources as part of it’s proposal, this should be reflected in the oral presentation given by the key personnel.

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4	Section L.9(b)(A), pp. L-18 – L-19,	In the Past Performance Volume, offerors are required to address 35 specific topics in four discrete areas for each relevant contract (see pp. L-18 and L-19, items 1 – 4). Based on our experience, 6 – 7 pages will be required per relevant contract to adequately address performance in the 35 topic areas. This will limit the number of relevant contracts that an offeror may cite to 3 or 4, which we believe is insufficient to permit the Government to adequately evaluate the offeror's suitability to perform a contract of this scope and complexity. The need to submit past performance for major subcontractors further exacerbates this issue. Will NASA consider increasing the page count for Volume II to 45 pages? This will permit offerors to provide the required past performance information (i.e., to address the 35 topics) for 6 – 7 contracts. We believe this will provide a sufficient basis for past performance evaluation for the prime and major subcontractors.	The Page Count for Volume II, Past Performance will be increased to 35 pages in the final RFP.
5	Section L.7(c), p. L-8; Section L.9.B.4, p. L-12; Section L.9.B.7, p. L-13	Section L.7(c) states that the resumes with job descriptions shall be limited to no more than 3 combined pages per individual, but the Proposal Preparation Instructions (L.9) indicate that the position descriptions are included in the Oral Presentation while the resumes for key management and technical personnel are included in the Written Proposal. The RFP instructions for resumes (Section L.9.B.7) do not specify that job descriptions are to be included in the resume. Please clarify: (1) whether the job descriptions referenced in Section L.7(c) are the same as the position descriptions required as part of the Oral Presentation (Section L.9.B.4), and (2) whether the 3-page resumes must include a job description.	The Final RFP will reflect that position descriptions will only be required in the written proposal supporting documentation.
6	Section L.6(b)(1), p. L-5; Section L.9 (c), p. L-22	Section L.6(b)(1) specifies that one electronic copy of Volume III, Cost/Price Proposal is required while Section L.9(c) states that "two copies of the CD-ROMs shall be submitted with one copy identified as the backup." Please clarify whether offerors are required to submit one or two electronic copies (CDs) of the Cost/Price volume.	L.6(b)(1) of the Final RFP will be revised to reflect the requirement for 2 electronic copies of the Cost/Price volume.
7	Section B.6, page B-4, Section G.10, pages G-8 – G-10, Attachment J.1(a)12, Surveillance and Incentive Fee Plan, pages A-1 –A-4.	<p>We have reviewed the incentive fee contract clauses and the Surveillance and Incentive Fee Plan. The weighting of the incentive fee between performance and cost (75 percent to 25 percent) is reasonable and is consistent with our experience on other incentive fee contracts. The cost share for cost underruns (70/30) and overruns (50/50) is also consistent with our experience and would prompt the contractor to proactively manage expenses during the operation of the contract.</p> <p>We have one area of confusion in reviewing the table shown in Section B.6. The use of target fees with applicable minimums and maximums are common with the cost incentive fee, but we have not encountered this distinction with performance incentive fees. Would NASA explain the difference between the maximum performance incentive fee and the target performance incentive fee and in what situations that difference would apply based on the formulaic approach detailed in the Surveillance and Incentive Fee Plan?</p>	In the Final RFP and Attachment J.1(a)12, the sharing ratio for underrun will be revised to reflect 60/40. The sharing ratio for overrun will remain at 50/50.
8	Section L.9(b)A.4, p. L-19	Section L.9(b)A.4 states that copies of CBAs should be included as part of Volume II, Past Performance. In our experience, CBAs typically run a minimum of 30 to 40 pages each. Are we correct in assuming that the CBAs are excluded from the Volume II page limitations.?	Section L.7(c) will be revised to reflect that CBAs are not included in the page count.
9	Section L.9(c) Cost/price Proposal	Given that the Department of Labor's Employment Cost Index Table 8. WAGES AND SALARIES (NOT SEASONALLY ADJUSTED) for civilian workers shows professionals at an	An offeror may propose a different escalation rate. However, if an

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	(Volume III) on page L-22:	<p>annualized 3.4% escalation rate the year ending Sep. 2008; and given that the current Collective Bargaining Agreement contains escalation exceeding 4% per year, please provide the rationale for the expectation of 2.5% escalation by NASA Headquarters?</p> <p>Ultimately, unless we can provide our employees with pay increases that at a minimum meet the national average, it is the expectation of industry that we will experience unnecessarily high attrition rates and an unstable, less effective labor force. We recommend that the Government re-consider the escalation for labor and have it changed to reflect the CBA which covers a majority of the employees on this contract.</p>	escalation rate other than 2.5% is proposed, justification for that rate must also be included in the proposal.																				
10	G.10 (page G-8) Question	<p>A Cost Plus Incentive Fee contract is most effective for contracts for the delivery of products. For example, by judicious expediting of the manufacturing processes or through managing down supplier costs the contractor can deliver early or at a lower cost in order to earn more profit for the same product. The net result is an increase to the profit on sales, which is an important measure to industry.</p> <p>However, in the services sector where the labor hours of a particular labor force are the primary deliverable, similar cost savings will be difficult to achieve. Experience curve effects (savings) are most productive for new graduates and not experienced incumbent employees. And, other labor cost savings are typically achieved through outsourcing, downsizing, replacing existing employees with less expensive employees, or replacing employees with technology. All of which tend to destabilize the labor force, particularly when there is a collective bargaining unit involved.</p> <p>In light of this, we recommend that the Government consider a two tier fee structure which might be more appropriate for this type of services contract. The two tier fee structure can be comprised of a base fee and a "performance" fee.</p> <p>A detailed review of the incentive share scheme being proposed for under-runs (70% Government / 30% Contractor) suggests that the greater the contractor share, the greater the incentive (fee on sales). Please see the following table that uses an 8% target fee and 15% max fee.</p> <table border="1"> <thead> <tr> <th>Under Run%</th><th>70/30 Share</th><th>50/50 Share</th><th>30/70 Share</th></tr> </thead> <tbody> <tr> <td>0%</td><td>7.4%</td><td>7.4%</td><td>7.4%</td></tr> <tr> <td>1%</td><td>7.7%</td><td>7.9%</td><td>8.1%</td></tr> <tr> <td>2%</td><td>8.1%</td><td>8.4%</td><td>8.8%</td></tr> <tr> <td>10%</td><td>10.9%</td><td>12.6%</td><td>14.3%</td></tr> </tbody> </table> <p>As a result, industry would be more incentivized with a share ratio of 30/70 rather than 70/30.</p> <p>Similarly, the proposed incentive share ratio for over-runs (50/50) incentivizes the contractor more to increase target fee as a mitigation strategy for over runs. The 0 minimum fee is a significant driver for a prudent mitigation strategy. Please see the following table that uses an 8% target fee and 0% min fee.</p>	Under Run%	70/30 Share	50/50 Share	30/70 Share	0%	7.4%	7.4%	7.4%	1%	7.7%	7.9%	8.1%	2%	8.1%	8.4%	8.8%	10%	10.9%	12.6%	14.3%	<p>As stated in the response to question 7, In the Final RFP and Attachment J.1(a)12, the sharing ratio for underrun will be revised to reflect 60/40. The sharing ratio for overrun will remain at 50/50.</p>
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11	PPQ and M.2(b)(2)	Rating definitions do not match the available rating levels.	Rating definitions and available rating levels will be clarified in the final RFP and Past Performance Questionnaire to reflect assessment ratings (levels of confidence) found in NFS 1815.305(a)(2).															
12	Conference	Question – When will the Government open the library? Comment – We recommend that the Government open the library as soon as possible and populate it incrementally in lieu of waiting until all assets are available to open it.	The Library link was posted on January 14, 2009.															
13	L.8(g)	DRFP Section L.8 (g) states that “The Oral Presentation of the Management Approach may be recorded by the Government. When will the Offeror be notified of the firm decision by the Government regarding the recording of the oral presentation? Can the Offeror record its presentation as well?	Oral Presentations at ARC are recorded by the Government. The offeror may not record the presentation. However, the Offeror may request a copy of the Government’s recording. This will be clarified in the final RFP.															
14	H.6	Will the DART documentation, referenced in Section H.6 on page H-5, be provided in the library?	Additional information on NASA Ames’ DART team is available at http://dart.arc.nasa.gov/ .															

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15 a	<p>DRFP Section (s) L.7 entitled Proposal Page Limitation, L.8 entitled Instruction for Mission Suitability Oral Presentation, and L.9. entitled Proposal Preparation – Specific Instructions.</p>	<p>In reviewing the requirements for the Orals presentation, we identified the following:</p> <ul style="list-style-type: none">o L.7 – Orals Presentation, Management Approach page limit is 75 slideso L.8(h) – Length of presentation shall be no more than 90 minutes with the following format:o L.9 (a) (B) 1, 2, 4, and 5 instructions on what should be covered for Organizational Structure and Approach, Response to Sample Task (2), Key Personnel, and Staffing, Recruitment, Retention and Training. <p>Working within the requirements outlined in L.8(h) on the time frame for the Orals presentation of 90 minutes and applying the industry standard for time allocation for presentation of material is not less than 2 minutes per slide, the Offeror is assuming that the Government is expecting to see approximately 45 slides in the Orals Presentation. Based on 45 slides, the Offeror would propose an alternative format in L.8(h).</p> <table><tr><th>Description</th><th>Time Limit (Minutes)</th></tr><tr><td>Presentation – <i>Why</i> - Organization Structure and Approach</td><td>20</td></tr><tr><td>Proposal Clarification</td><td>5 minutes per clarification response</td></tr><tr><td>Break</td><td>15</td></tr><tr><td>Presentation <i>How</i> - Execution Response to Sample Tasks (2)</td><td>50</td></tr><tr><td>Proposal Clarification</td><td>5 minutes per clarification response</td></tr><tr><td>Break</td><td>15</td></tr><tr><td>Presentation <i>Who</i> - Staffing Key Personnel and Staffing, Recruitment, Retention, and Training</td><td>20</td></tr><tr><td>Proposal Clarification</td><td>5 minutes per clarification response</td></tr><tr><td>Break</td><td>15</td></tr><tr><td>Proposal Clarification</td><td>5 minutes per clarification response</td></tr></table> <p>This alternative format would provide a presentation approach that would allow the Government to</p> <ul style="list-style-type: none">o Understand the why, how, and who of our approach is consistent with L.9 (a) (3).o Would provide a structure for the SSB to ask clarification on specific subfactors as they are presented in section L.9 (a) (3).o Would provide a structure that would allow the Offeror to spend the largest block on time on the “how” of our approach as it relates to the sample tasks.	Description	Time Limit (Minutes)	Presentation – <i>Why</i> - Organization Structure and Approach	20	Proposal Clarification	5 minutes per clarification response	Break	15	Presentation <i>How</i> - Execution Response to Sample Tasks (2)	50	Proposal Clarification	5 minutes per clarification response	Break	15	Presentation <i>Who</i> - Staffing Key Personnel and Staffing, Recruitment, Retention, and Training	20	Proposal Clarification	5 minutes per clarification response	Break	15	Proposal Clarification	5 minutes per clarification response	<p>The maximum number of slides is 75.</p> <p>The Time Limit will be increased in the Final RFP to 2 hours (increasing the 45 minutes to 60 minutes for each presentation segment) The format will remain as shown in the Draft RFP with complete presentation by the offeror, then clarification questions at the end.</p>
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15b		Should the Offeror assume that the order presented in L.9(a)(B) should be the sequence to be followed when meeting the format presented in L.8(h)?	Yes, the oral presentation shall address each evaluation subfactor, in the order listed in L.9(a)B.
15c		Should the Offeror assume that the page limit presented in L.7 is a maximum page limit and that the Government does not have any additional requirements on page count for the Oral Presentation?	Yes, the maximum page (slide) limit for Oral Presentations is 75 slides. There are no additional requirements on page count for the Oral Presentation
15d		Does the Government have a target page count for the orals presentation given the time limit of 90 minutes as stated in L.8(h)?	The maximum limit is 75 slides for the Oral Presentation. There is no target page count.
16a	J.1(b)1 Descriptions, Responsibilities, and Education	The Draft Government Labor Estimate states that there are non-exempt Computer Programmers and Computer Systems Analysts. These are typically exempt positions.	These positions are shown as non-exempt as they are included in the Wage Determination.
16b	J.1(b)1 Descriptions, Responsibilities, and Education	<p>The descriptions (in 11a) state they provide some "services for establishments or for outside organizations that may contract for services" and "serv[e] as an interface to the supported community users."</p> <ul style="list-style-type: none"> ○ Does this imply that customers will re-reimburse ARC or ATOM for services rendered? ○ Are re-reimbursable hours included in the Labor Estimate hours in this table? <p>Are all positions that provide re-reimbursable services required to be non-exempt?</p>	<p>The Contractor will be required to work with customers, both internal and external to NASA. The position descriptions will be clarified in the final RFP to reflect interfacing between the testing organizations and test customers.</p> <p>The issue of reimbursement for this activity is external to contract requirements and solely within the Government's purview.</p>